

CONCENTRATED UPDATE FEBRUARY 2021

The market rose for the fifth consecutive month with a 1.5% gain, an impressive effort given the moves in global bonds.

Quest returns were ahead of the market.

US 10 year bond yields have been falling for 30 years but may have reached a nadir in August 2020 when rates hit a lowly 0.57%. The US 10 year climbed to 1.44% by the end of February. This was a major move that affected stocks in different ways. Long duration tech, health and technology stocks generally eased while banks, cyclicals, resources and consumables rose. Higher rates do however suggest things are on the improve.

The Australian dollar firmed modestly and now sits above US\$0.77.

In February, our resource holdings performed well with BHP up 13%, RIO up 15% and Mineral Resources gaining more than 13% including a dividend. IGO also rose 10% and is now up 40% in six months. Gold stocks have recently been weaker with SSR down 17%.

Our small cap stocks were mixed with Marley Spoon rebounding 24%, Vista up 22% as global cinema re-openings appeared more likely and Corporate Travel up 22%. Kogan and Carbon Revolution were weak falling 22% and 17% respectively.

The Quest portfolio continues to perform despite the shifts in sentiment from the bond market gyrations. Our portfolio construction has again been up to the challenge of volatility. Our stance is unchanged, we remain positive on the market.

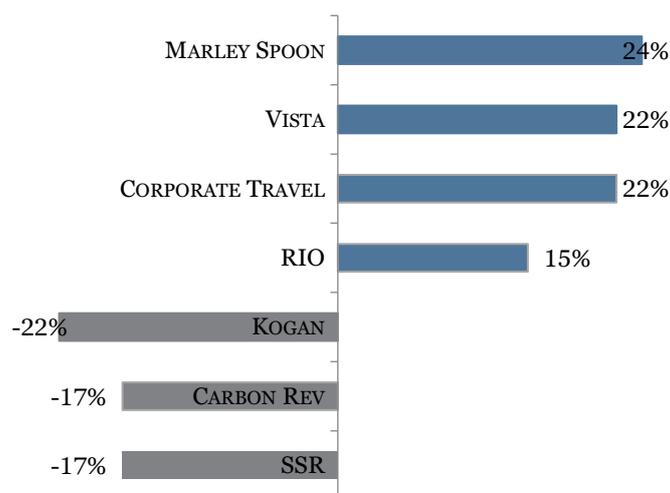
Our portfolio had a good reporting season with around 40% of those companies reporting meeting our expectations. Almost 50% exceeded our expectations. Note that some of our holdings did not report in February.

We continue to be tilted to banks, mining and smalls. The banks are however closer to our targets than prior. The miners continue to generate cash bolstered by strong commodity prices. We remain confident that our three lithium producers are well positioned. Many of our mid and small stocks continue to trade below valuation.

PORTFOLIO FEATURES

Inception	9 February 2005
Benchmark Index	S&P/ASX300
No of holdings	maximum 35
Quest AUM	\$1,608m
Strategy AUM	\$97.8 m
Investment horizon	3 - 5 years
Investment Strategy	Fundamental with a key focus on business quality and free cash flow
Derivatives/Shorting	Nil
AFSL:	279207
Lonsec Rating	Reviewed and Rated by Lonsec

STOCK PERFORMANCE



Performance*

To 28 February 2021	1month	3months	1 year	3yrs (pa)	5yrs (pa)	10 years (pa)	Since inception (pa)
Quest Aust Equities Concentrated	3.2%	3.1%	15.9%	11.8%	15.1%	11.7%	12.0%
ASX300 Accumulation index	1.5%	3.2%	7.1%	7.5%	10.9%	7.7%	7.5%
Value added	+1.7%	-0.1%	+8.8%	+4.3%	+4.2%	+4.0%	+4.5%

*Returns before fees and tax based on the JBWere platform model portfolio.

Past performance is no guarantee of future performance. Individual returns will differ for investors, depending on when the initial investment was established and the timing of any additional investments or redemptions. Inception date is February 2005.



CURRENT PORTFOLIO

Total holdings	32
Non-benchmark holdings	8
Tracking error	5.2%
Active share	61%
Stock specific risk	73% of active risk
Earnings growth (1yr fwd)	19.3% pa
ROE	15.2%
Beta	1.04
P/E (1yr fwd)	23 x
Dividend yield (1yr fwd)	2.2%

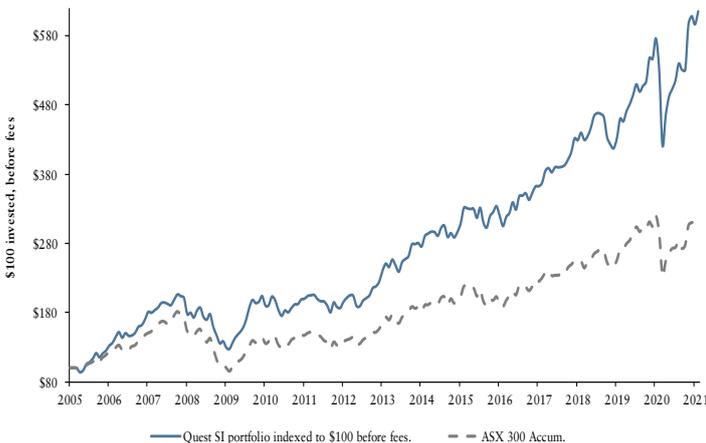
MONTHLY ACTIVITY

We moved to a third bank holding in February by adding Westpac. Industrial REIT Goodman Group was sold after a lengthy and successful tenure in our portfolio. Nuix was sold after a result that was below our expectations. Credit Corp and Macquarie Bank were reduced into strength.

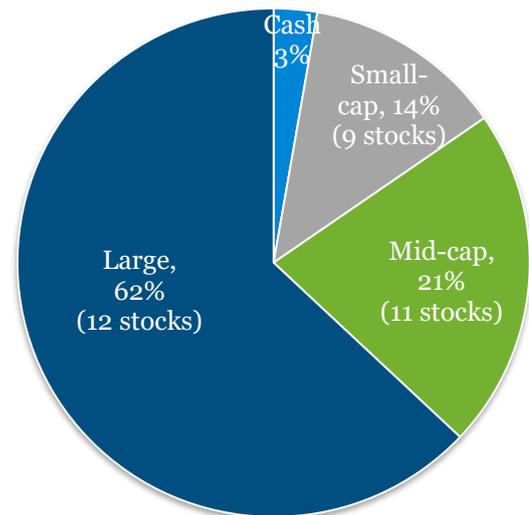
QUEST LONG SHORT FUND UPDATE

The Quest Long Short Fund net return was 37.4% over 10 months to February 2021. Funds are now \$9.6m. Platform positions now include Macquarie, BT, MLC, Netwealth, Hub24 and Mason Stevens.

PORTFOLIO RETURNS



FEBRUARY 2021



INVESTMENT PROFILE

The Quest Australian Equities Concentrated Portfolio is a Separately Managed Account (SMA), actively managed by Quest Asset Partners Pty Limited. Our objective is to outperform the S&P/ASX300 Accumulation Index. The SMA structure allows the investor to retain beneficial ownership of the portfolio while maximising transactional and tax visibility.

Disclaimer

This report has been prepared by Quest Asset Partners Pty Limited, AFSL 279207 (wholesale), ABN 47 109 448 802. It should be regarded as general information only rather than advice. It has been prepared without taking into account any person's objectives, financial situation or needs. Whilst Quest has used its best endeavours to ensure the information within this document is accurate it cannot be relied upon in any way and recipients must make their own enquiries concerning the accuracy of the information within. Past performance is not a reliable indicator of future performance. All performance figures are based on the JBWere Multi-Asset platform seed portfolio. Performance can vary by platform and client due to mandate restrictions and other constraints. Before making any financial investment decisions we recommend recipients obtain legal and taxation advice appropriate to their particular needs. Investment in a Quest Asset Partners Separately Managed Account can only be made on completion of all the required documentation. As Quest hold a wholesale AFS licence, this report should not be passed on to any retail client. The rating issued 07/2020 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2020 Lonsec. All rights reserved.

CONTACT THE MANAGERS

- Michael Evans** ph.02 9409 2300
Email: mevans@questap.com.au
- Chris Cahill** ph.02 9409 2301
Email: ccahill@questap.com.au
- Troy Cairns** ph.02 9409 2303
Email: tcairns@questap.com.au